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U.S. Department of the Interior • U.S. Geological Survey

# MINERAL INDUSTRY SURVEYS

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## IRON ORE IN FEBRUARY 1997

U.S. mine production of iron ore in February was less than 1% lower than that of January, according to the U.S. Geological Survey. Shipments decreased by 60.7% and mine stocks increased by 54.7%. Consumption and trade data for February will be included in a subsequent report.

### BHP Developing Iron Deposit

BHP Iron Ore is developing Orebody 18 at its iron ore operations in the Pilbara region of Western Australia. The new mine is expected to be in full production in mid-1998. Orebody 18 will be a satellite to the Mt. Whaleback Mine. It will produce 5 million metric tons per year (Mt/yr) initially, increasing over several years to 10 Mt/yr. The total mineable reserve of Brockman hematite is estimated at 116 Mt. The ore will be railed to Nelson Point in Port Hedland where it will be blended and stockpiled with ores from other mines in the Newman area.

The US\$72 million development will include an 8-km (5-mile) rail spur connecting the mine via the Jimblebar spur to the main Newman-to-Port Hedland railway; crushing, screening, and train loading facilities; a 35-km (22-mile) and a 66kV power line from BHP Iron Ore's gas-fired power station at Newman.

The construction workforce will peak at around 150 people. As many as 100 people will be employed in operating the mine. The development of Orebody 18 is part of BHP's plans to increase their total shipments from an estimated 61 Mt in the financial year ending May 31, 1997, to more than 70 Mt in 1999. BHP's intent is to extend the life of its prime ore supply from

the Mt. Whaleback Mine.<sup>1</sup>

### BHP Reaches Price Agreements for Yandi and Goldsworthy Ores

BHP Iron Ore and Japanese Steel Mills completed agreements on the prices for Yandi and Goldsworthy ores, for the year commencing April 1, 1997. Price agreements for Mt. Newman ores were settled earlier (See IRON ORE IN JANUARY 1997). The new prices are:

Yandi ore: 27.35 US cents per dry long ton unit, an increase of 1.1 per cent (94 per cent of the price for Mt. Newman fines and the same percentage increase).

Goldsworthy ores: 29.10 US cents per dry long ton unit, an increase of 1.1 per cent for Goldsworthy fines and 37.68 US cents per dry long ton unit, the same price as in 1996 for Goldsworthy lump ore (the same prices as those agreed for Mt. Newman ores).

Delivery tonnages for Yandi ore will be 8.5 Mt for 1997-98, up from expected shipments of about 8 Mt for the current year. Goldsworthy tonnages will remain the same as that for 1996-97 at 3.16 Mt.<sup>2</sup>

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<sup>1</sup>BHP Press Release, February 21, 1997

<sup>2</sup>BHP Press Release, February 14, 1997

TABLE 1  
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE, BY DISTRICTS 1/  
(Exclusive of ore containing 5% or more manganese)

(Thousand metric tons)

Period	Lake Superior		Other U.S.		Total 2/	
	Monthly	Year to date	Monthly	Year to date	Monthly	Year to date
<b>Production:</b>						
1996:						
February	4,217	8,449	25	60	4,242	8,509
March	4,801	13,250	23	83	4,824	13,333
April	4,668	17,918	22	105	4,690	18,023
May	5,479	23,397	20	125	5,500	23,522
June	5,128	28,525	22	147	5,150	28,673
July	5,771	34,296	22	169	5,793	34,465
August	5,752	40,048	119	288	5,871	40,336
September	5,590	45,638	25	313	5,615	45,952
October	5,347	50,985	26	339	5,373	51,325
November	5,503	56,488	24	363	5,527	56,852
December	5,260	61,748	20	383	5,280	62,132
1997:						
January	4,773	4,773	16	16	4,788	4,788
February	4,719	9,492	25	40	4,744	9,532
<b>Shipments:</b>						
1996:						
February	1,315	4,678	21	33	1,336	4,711
March	2,357	7,035	25	58	2,382	7,094
April	5,290	12,325	20	78	5,310	12,404
May	6,317	18,328	21	99	6,338	18,741
June	5,925	24,253	17	116	5,942	24,684
July	6,396	30,649	29	145	6,424	31,108
August	6,230	36,879	29	174	6,259	37,367
September	6,341	43,220	29	203	6,370	43,737
October	6,232	49,452	23	226	6,256	49,993
November	5,674	55,126	31	257	5,705	55,698
December	6,036	61,162	19	276	6,055	61,753
1997:						
January	2,693	2,693	16	16	2,708	2,708
February	1,036	3,729	27	43	1,063	3,771

1/ Excludes byproduct ore.

2/ Data may not add to totals shown because of independent rounding.

TABLE 2  
U.S. PRODUCTION, SHIPMENTS AND STOCKS OF IRON ORE IN FEBRUARY 1/  
(Exclusive of ore containing 5% or more manganese)

(Thousand metric tons)

District	Production		Shipments 2/		Stocks 3/	
	1997	1996	1997	1996	1997	1996 r/
<b>Lake Superior:</b>						
Michigan	1,134	1,106	--	248	3,468	2,252
Minnesota	3,585	3,111	1,036	1,067	6,840	5,580
Other U.S.	25	25	27	21	104	131
Total 4/	4,744	4,242	1,063	1,336	10,411	7,962

1/ Excludes byproduct ore.

2/ Includes rail and vessel.

3/ Includes mines, plants, and loading docks.

4/ Data may not add to totals shown because of independent rounding.

TABLE 3  
CANADA: SHIPMENTS OF IRON ORE

(Thousand dry metric tons)

Period	Newfoundland	Quebec	Ontario	British Columbia	Total 1/
1996:					
February	646	927	46	7	1,626
March	444	743	49	6	1,241
April	2,075	741	36	8	2,859
May	1,343	1,927	45	9	3,325
June	1,653	405	43	7	2,108
July	1,358	995	38	8	2,398
August	2,132	867	40	6	3,045
September	2,755	906	58	8	3,726
October	2,400	1,551	114	9	4,074
November	2,620	1,165	111	8	3,905
December	2,056	1,145	111	8	3,320
Year total	19,959	12,059	733	88	32,839
1997:					
January	924	679	114	8	1,725
February	NA	NA	NA	NA	NA

NA Not available.

1/ Data may not add to totals shown because of independent rounding.

Source: Natural Resources Canada.

TABLE 4  
CONSUMPTION AND STOCKS OF IRON ORE AND AGGLOMERATES AND  
BLAST FURNACE PRODUCTION OF HOT METAL AT U.S. IRON AND STEEL PLANTS

(Thousand metric tons)

Consumption of ores and agglomerates		
	January	
Consumption by source	1997	1996
United States ores	4,789	4,923
Canadian ores	512	713
Foreign ores	567	636
Total 1/	5,868	6,273
Consumption by process		
Blast furnaces	5,276	5,629
Steel furnaces	8	5
Agglomerating plants 2/	559	639
Miscellaneous 3/	23	--
Total 1/	5,868	6,273
Stocks of ores and agglomerates		
	January 31	
Storage point	1997	1996
Furnace yards	17,153	15,096
Receiving/transfer docks	2,030	2,125
Total consumer	19,183	17,221
Blast furnace production of hot metal		
	January	
	1997	1996
Hot metal and pig iron produced in blast furnaces	4,073	4,364
No. of blast furnaces operating on the last day of the month	37	40

XX Not applicable.

1/ Data may not add to totals shown because of independent rounding.

2/ Iron ore and iron ore concentrates consumed in agglomerating plants not located at the mine site.

3/ Sold to nonreporting companies or used for purposes not listed.

Sources: American Iron Ore Association (consumption of iron ore) and American Iron and Steel Institute (production of hot metal and pig iron).

TABLE 5  
U.S. EXPORTS OF IRON ORE AND AGGLOMERATES, BY COUNTRY  
OF DESTINATION AND TYPE

(Thousand metric tons)

Country of destination and type	1996				1997
	3rd Quarter	4th Quarter	November	December	January
Canada	2,391	1,729	101	689	196
Mexico	2	1	(1/)	1	(1/)
Other	2	1	(1/)	(1/)	(1/)
Total 2/	2,394	1,731	102	689	196
Pellets	2,380	1,723	101	688	196
Other	14	8	(1/)	1	(1/)
Total 2/	2,394	1,731	102	689	196

1/ Less than 1/2 unit.

2/ Data may not add to totals shown because of independent rounding.

Source: Bureau of the Census.

TABLE 6  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE AND AGGLOMERATES,  
BY COUNTRY AND TYPE  
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	January 1997		Year to date 1997			Year to date 1996
	Thousand metric tons	Value 1/ (thousand dollars)	Thousand metric tons	Value 1/ (thousand dollars)	Value 1/ (dollars per ton)	(thousand metric tons)
Australia	67	1,003	67	1,003	14.97	58
Brazil	357	8,836	357	8,836	24.75	278
Canada	410	14,275	410	14,275	34.82	400
Chile	12	175	12	175	14.58	--
Mauritania	--	--	--	--	--	74
Mexico	2	39	2	39	19.50	--
Peru	44	446	44	446	10.14	(2/)
South Africa	4	389	4	389	97.25	--
Venezuela	137	5,028	137	5,028	36.70	256
Total 3/	1,033	30,190	1,033	30,190	29.23 4/	1,066
Concentrates	--	--	--	--	--	(2/)
Coarse ores	141	5,416	141	5,416	38.41	170
Fine ores	326	6,262	326	6,262	19.21	266
Pellets	520	18,025	520	18,025	34.66	630
Briquettes	--	--	--	--	--	--
Other agglomerates	46	485	46	485	10.54	--
Roasted pyrites	(2/)	2	(2/)	2	--	(2/)
Total 3/	1,033	30,190	1,033	30,190	29.23 4/	1,066

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.

2/ Less than 1/2 unit.

3/ Data may not add to totals shown because of independent rounding.

4/ Weighted average calculated from unrounded data by dividing total value by total tonnage.

Source: Bureau of the Census.

TABLE 7  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE AND AGGLOMERATES IN JANUARY 1997  
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						Total 1/
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Australia	--	--	67	--	--	--	67
Brazil	--	--	247	110	--	(2/)	357
Canada	--	--	--	410	--	--	410
Chile	--	--	12	--	--	--	12
Mexico	--	--	--	--	2	--	2
Peru	--	--	--	--	44	--	44
South Africa	--	4	--	--	--	--	4
Venezuela	--	137	--	--	--	--	137
Total 1/	--	141	326	520	46	(2/)	1,033

1/ Data may not add to totals shown because of independent rounding.

2/ Less than 1/2 unit.

Source: Bureau of the Census.

TABLE 8  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY

Country of origin	January 1997		Year to date 1997			Year to date 1996
	Thousand metric tons	Value 1/ (thousand dollars)	Thousand metric tons	Value 1/ (thousand dollars)	Value 1/ (dollars per ton)	
Brazil	110	3,751	110	3,751	34.10	144
Canada	410	14,275	410	14,275	34.82	400
Venezuela	--	--	--	--	--	86
Total 2/	520	18,025	520	18,025	34.66 3/	630

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.

2/ Data may not add to totals shown because of independent rounding.

3/ Weighted average calculated from unrounded data by dividing total value by total tonnage.

Source: Bureau of the Census.

TABLE 9  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE AND  
AGGLOMERATES, BY CUSTOMS DISTRICT  
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district	January	Year to date	
	1997	1997	1996
Baltimore, MD (13)	381	381	447
Charleston, SC (16)	65	65	23
Chicago, IL (39)	--	--	49
Detroit, MI (38)	--	--	(1/)
Duluth, MN (36)	--	--	51
Los Angeles, CA (27)	--	--	(1/)
Mobile, AL (19)	285	285	347
New Orleans, LA (20)	204	204	63
Nogales, AZ (26)	2	2	--
Philadelphia, PA (11)	96	96	86
Total 2/	1,033	1,033	1,066

1/ Less than 1/2 unit.

2/ Data may not add to totals shown because of independent rounding.

Source: Bureau of the Census.

TABLE 10  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY CUSTOMS DISTRICT

(Thousand metric tons)

Customs district	January	Year to date	
	1997	1997	1996
Baltimore, MD (13)	139	139	181
Charleston, SC (16)	65	65	23
Chicago, IL (39)	--	--	49
Duluth, MN (36)	--	--	51
Mobile, AL (19)	244	244	178
New Orleans, LA (20)	73	73	63
Philadelphia, PA (11)	--	--	86
Total 1/	520	520	630

1/ Data may not add to totals shown because of independent rounding.

Source: Bureau of the Census.